



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.07

Voluntary Report - public distribution

Date: 2006/12/7

GAIN Report Number: TW6052

Taiwan

Wine

California Wine Institute's 2006 Market Visit to Taipei

2006

Approved by:

Keith Schneller, ATO Director
American Institute in Taiwan

Prepared by:

Jeff Miller, Reports and Marketing Officer

Report Highlights:

Brief report on this year's California Wine Institute (CWI) trade mission to Taiwan including a discussion of activities, brief overview of the market and suggestions for the future. This was the first time in Taiwan that CWI joined together with USMEF to promote both wine and beef at a successful wine and beef pairing reception at the AIT Director's residence.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei ATO [TW2]
[TW]

Overview

The California Wine Institute (CWI) led 12 representatives representing a total of 39 wineries to Taiwan for its annual Asia trade mission. The mission, part of an extended tour through Asia that included Japan, Taiwan, Hong Kong and China, was in Taiwan from the afternoon of October 30th until the morning of November 1st. ATO Taipei worked closely with CWI's Taiwan representative on mission planning and took primary organizational responsibility for two key activities during the mission's Taiwan itinerary. ATO staff participated in most CWI activities during their two-day stay and helped CWI mission members identify and meet with appropriate importers, retailers and media contacts.

The Market

The Taiwan market for imported grape wine has made great strides in the past four years in terms of both volume and quality. Between 2001 and 2006 (est.), bottled grape wine imports have risen in value by an average of more than US\$11 million each year. Bottled grape wine imports now exceed US\$75 million in value and should remain on a healthy growth track in the next year and, hopefully, beyond.

While the United States ranks as the second largest supplier (after France) of bottled grape wine to Taiwan, the market performance of U.S. suppliers has in recent years lagged behind that of a number of aggressive New World and European competitors. International suppliers, often backed by relatively deep corporate group pockets, and national promotion boards from Chile, Italy, Australia and Spain have been running promotion programs targeting Taiwan that have, by and large, both successfully expanded their market share and enjoyed increasingly larger shares of the windfall growth in wine consumption and wine appreciation over the past half decade.

Taiwan Wine Market: 5-year market comparison (in US\$ thousands)

Year/country	U.S.	France	Australia	Chile	Italy	Spain	Canada	Japan	Germany	Other	Total
2006 (est)	8,188	41,369	8,113	5,790	2,783	2,818	1,275	1,400	1,027	3,536	76,300
2001	4,833	8,059	1,399	508	1,306	599	782	1,177	941	1,321	20,925

The Delegation

The 2006 Winery Delegation, led by CWI's Winery Program Manager, Eric Pope, included Kunde, Vin-de-Cal, Wimbeldon, Robert Hall, Esser Vineyard, Rutherford Ranch, Delicato, E&J Gallo, Nichols Winery, Ironstone, Fetzer, and J. Lohr.

Main Activities

Reception and Tasting: Steven Young, the Director of the American Institute in Taiwan, hosted a reception for mission members and several dozen key wine importers, retailers and wine aficionados at his metropolitan residence during the mission's first evening in Taipei. ATO Taipei worked with CWI with the arrangements and logistics for this high profile, carefully targeted event. This activity was cosponsored by the US Meat Export Federation (USMEF), and was the first time that CWI and USMEF joined together in an effort to promote the best US beef and wines to important trade contacts at the residence of the AIT Director. More than 50 different wines under most of the participating winemaker labels were served to guests. CWI, USMEF and ATO Taipei, working with a high-end catering service, selected

seven different appetizers featuring various cuts of US beef that were then paired to specific mission-member wines by a respected local wine / gourmet consultant.

CWI Mission Briefing: ATO Taipei staff delivered a post-breakfast briefing on Taiwan's wine market to CWI mission members. The briefing highlighted recent developments in local import regulations that mandate pre-export certification that SO2 levels meet local health regulations and call for random inspection of shipments for adherence to Taiwan's health law in terms of three items (SO2, methanol and lead).

California Wine Seminar:

CWI organized and ran a seminar introducing the varietal and regional breadth of California wines. Around 120 persons, including wine importer representatives, food and beverage managers from hotels and restaurants, and professional wine consultants, attended the seminar.

Mini-Trade Show:

The early afternoon seminar concluded with the official opening of a mini-trade show in the ballroom next door. The trade show featured the California wines imported by about 20 Taiwan companies along with several booths manned by mission members looking for interested import agents. The activity was widely attended by the trade.

The Future

The ATO looks forward to continuing to work closely with the California Wine Institute to help the association and its members get the good word out to importers and key consumers regarding the strong competitiveness of the U.S. winery industry and of U.S. wines.

The annual market visit by the CWI can serve as a strategic cornerstone of a healthy wine promotion program in Taiwan. To retain a high profile and ensure the trade both understands and feels comfortable in delving deeper into California (and U.S.) wines, the ATO hopes that the Wine Institute will support additional market servicing efforts through the year in order to maximize the still excellent potential for U.S. wine sales in Taiwan.

ATO Taipei further hopes to take better advantage of CWI's annual trade mission to Taiwan in the future by arranging media interviews and possibly co-sponsoring consumer tasting events with appropriate multiplier organizations in Taiwan.